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SEVENTEEN HUNDRED AND SECOND MEETING

Held in the Legislative Palace, Panama City, on Tuesday, 20 March 1973, at 3.30 p.m.

President: Mr. Juan Antonio TACK (Panama)
later: Mr. Aquilino E. BOYD (Panama).

Present: The representatives of the following States: Australia, Austria, China, France, Guinea, India, Indonesia, Kenya, Panama, Peru, Sudan, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America and Yugoslavia.

Provisional agenda (S/Agenda/1702)

1. Adoption of the agenda.
2. Consideration of measures for the maintenance and strengthening of international peace and security in Latin America in conformity with the provisions and principles of the Charter.

The meeting was called to order at 4.20 p.m.

Adoption of the agenda

The agenda was adopted.

Consideration of the measures for the maintenance and strengthening of international peace and security in Latin America in conformity with the provisions and principles of the Charter

1. The PRESIDENT (*interpretation from Spanish*): In accordance with decisions previously taken by the Security Council [1696th-1699th meetings], and with its consent, I invite the representatives of Algeria, Argentina, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mauritania, Mexico, Trinidad and Tobago, Uruguay, Venezuela, Zaire and Zambia to take the places reserved for them in the Council chamber.

2. Speaking now as the representative of PANAMA, I wish to exercise my right of reply.

3. We listened this morning to the statement of the representative of the United States of America [1701st meeting]. I shall refer, on behalf of my country, to some parts of the statement by that distinguished representative.

4. The fact is that the countries of Latin America are showing general and justified concern because of the increasing habit of North American officials of making a public inventory of the results of their apparent generosity.

But in that inventory no reference is ever made to the fact that our raw materials, our cheap labour force, our limited economic and military capability have been and continue to be, among others, important factors which have been used to achieve the development of the United States of America. The supposed economic assistance which that country provides Latin America is not so generous, broad or disinterested as its representatives proclaim. On the other hand, the damages we have suffered for the benefit of the development of the United States have not been nor will they be compensated for. The trend is clear: not to allow the complete development of Latin America in order to maintain it as a source of supply of raw materials or of a cheap labour force.

5. The jurisdiction and competence of the United Nations in this region cannot be diminished or limited by the jurisdiction which the Organization of American States (OAS) has in certain matters. We know full well that these are two organizations with different structures and powers. It suffices to refer to Article 103 of the Charter of the United Nations to dispel any doubt anyone might have on the subject, or perhaps we should read out the text of article 137 of the Charter of the OAS:

"None of the provisions of this charter shall be construed as impairing the rights and obligations of the member States under the Charter of the United Nations."

But the history of the actions of the Security Council reaffirms its competence and jurisdiction without any doubt.

6. We would wish to refer now to the OAS. We believe that the time has come to re-examine its structure in order to adjust it to the real needs of the region. Let it be stated clearly that the history of the OAS in respect of pacification is not as brilliant as some have tried to claim here. Enshrining the principle that might makes right or belatedly lamenting the painful events which, because of the incapacity of the OAS, have brought sorrow to Latin America are not really things to be proud of. How anyone speaks about the party depends on how he enjoyed it.

7. The recent conference at Bogota of the Inter-American Economic and Social Council of the OAS made it clear that many of the Latin American aspirations could be fulfilled in large measure by complete compliance with the rules of the Charter of that organization. Nevertheless the whole world knows that when the final resolution was discussed the United States abstained because it was not able to accept even clauses which merely repeated provisions of the

Charter of the OAS, despite the fact that that instrument had been signed and ratified by the United States.

8. The purposes of the United States in the bilateral negotiations—as they were admitted to this morning by the United States representative—cannot satisfy Panama. To agree to them would only lead to increasing the causes of conflict between the two countries which we are seeking to eliminate through the negotiations.

9. There is no logic in the affirmation that in order for the Canal to serve world trade efficiently, the United States must have the right to increase its capacity. This is not in accord with our legitimate aspirations to regain complete jurisdiction over our territory and to exercise our sovereign rights over our natural resources. The aim of ensuring that the Canal would “continue to be operated and defended by the United States for an extended but specified period of time” [*ibid.*, para. 138] is a very subtle way of expressing the concept of perpetuity in figures.

10. A treaty cannot be new and modern if it does not satisfy our legitimate aspirations effectively to exercise sovereignty over our entire national territory, to exercise sovereignty over our natural resources, to do away with the existence of a government within another government, to put an end to the colonial enclave which gives rise to our dispute.

11. The representative of the United States explained that the considerable growth of Panama's economy has resulted in part from the contributions received from abroad, among them the aid given by the United States. He specified that for 1972 the aid amounted to \$227 million and he added that American loans and grants to Panama represent the highest *per capita* level of United States assistance anywhere in the world. That might be true, but we are bound to add that this represents only one side of the coin. It is fitting to mention that on the other side there are the vast benefits which the United States had been receiving since 1910—when the Panama Canal was opened—because of its use of our geographical position in regard to the Canal, and which represents possibly the largest *per capita* subsidy which any country has ever given to the vast economy of the United States. Those benefits include, on the one hand, strategic and political benefits and, on the other, strictly economic benefits.

12. As regards the strategic aspects, the Canal has had and continues to have an undeniable military value. During the Second World War it was used by approximately 5,300 warships and 8,500 ships carrying troops and military supplies. The Canal also facilitated military operations and logistic support for the United States Army in the Korean war. It is estimated that 22 per cent of the tonnage sent from the eastern seaboard of the United States went through the Panama Canal. Between 1964 and 1968 there was an increase of 640 per cent in the dry tonnage and 430 per cent in the transport of fuel and oil through the Canal in order to support military operations in South-East Asia. Therefore the Canal has had considerable strategic advantages for the United States, in improving the ability of its naval forces to manoeuvre and facilitating the sending of troops and supplies to the areas of conflict, with apprecia-

ble savings in current costs and in investment for equipment, installations and ships.

13. The purely economic profits obtained by the United States from the Canal and in general from the present status of the Canal Zone have very diverse aspects and as a whole are considerable. Thus, for example, during the period 1960 to 1970 the Canal Company had surpluses which exceeded \$450 million and which were allocated to the payment of interest to the Government of the United States and to finance a large part of the cost of the government of the Zone and to increase the company's reserves.

14. Other economic benefits can be mentioned which are perhaps of greater significance but which are difficult to quantify, such as the advantage which the Canal gives the United States in the expansion of its internal and international trade and in general in the improvement of its international economic relations. Nevertheless, the main economic advantages are derived from the fact that the United States is the main user of the Canal and from the rate schedule, which has remained unchanged since the opening of the Canal.

15. A recent study by the Economic Commission for Latin America (ECLA)¹ estimated at \$5,400 million the money saved by those who used the Canal from 1960 to 1970 because they did not have to use the less economical alternative route, which is 6 to 7 times as long. In the same study ECLA estimated at \$2,600 million the profits the Canal Company would have obtained from its monopolistic position by applying a rate structure which discriminated according to economic density and other characteristics of the goods carried through the Canal. Between these two extremes—\$2,600 million and \$5,400 million—one can estimate the subsidies thus given to world fleets and trade. With regard to trade originating in or destined for the United States, according to ECLA the net profit for the United States economy can be estimated at between \$700 million and \$1,700 million from 1960 to 1970.

16. Although that does not complete the list of economic efforts which the United States receives from the Canal and from the colonial control of the Canal Zone, it is worth mentioning, finally, that there is a situation which, while it gives only a small economic advantage to the United States, is revealing in regard to the existing relationships. Apart from the activities related directly to the maintenance and operation of the Canal and to the functioning of the civilian and military government, the Canal Company carries out a series of purely trade activities connected with supplying and servicing the population residing in the Zone, as well as other auxiliary activities, all of which are exempt from any taxation on the part of the State of Panama. In this way the public budget of this small country had been subsidizing a large company controlled by the greatest Power in the world.

17. Panama is seeking not a change in wording, but a change in structure. So far, there have been no real bilateral

¹ Study entitled “The economy of Panama and the Canal Zone”, prepared at the request of the Government of Panama and transmitted to the Security Council by the representative of Panama (see S/10900 of 9 March 1973).

negotiations; what there have been are North American proposals designed to disguise, in perpetuity, the colonialist enclave. When Panamanian proposals intended to put an end to that enclave were put forward, they were not, nor have they ever been, accepted by the United States.

18. In order for talks to be bilateral there must be a serious desire on both sides to deal with each other in equality and respect and with a concern to find solutions to the problems. But when what exists is a desire on the part of one party to impose conditions, make threats and exert pressure, on the basis of its vast military and economic power, then there is no mutual negotiation: what there is is the imposition of a single will in disguise.

19. Why, in nine years, has there been no progress in the negotiations between Panama and the United States? Why does the United States seek to perpetuate its military display on the isthmus, build a new sea-level canal and maintain the Canal Zone, while at the same time claiming that it is doing away with the concept of perpetuity? What are the causes of conflict between the two countries? Quite simply, the existence of a foreign Government within our own territory, the oppressive presence of a foreign army on the isthmus, and the existence within the territory which is called the Canal Zone of a legislation different from that of the Republic of Panama. In the negotiations Panama has asked for the elimination of those causes of conflict. At no time has the United States agreed definitively. Basically, what it wishes is to maintain the *status quo*, changing it only in name.

20. When General Torrijos, in his opening statement before the Council [1695th meeting], referred to the fact that the problems of the developing countries of the third world were similar, he was expressing the Panamanian people's deep feeling of solidarity with the rest of the people of Latin America, Africa and Asia.

21. The Security Council must play a vital role in the solution of this problem, and not accept a false bilateral negotiation as genuine. While we certainly want the two countries to negotiate, the world must be alert and vigilant so that those bilateral negotiations will really be that, and not the imposition of the will of the stronger.

22. The rejection of the 1967 draft treaties was the result of the fact that they were even more offensive than the 1903 Convention. The term "perpetuity" was replaced by a date: up to the year 2067—that is to say, perpetuity in numbers; it legalized the existence of military bases and of the Southern Command, which so far, even with the shameful Convention of 1903, has no legal justification. It further intended, in exchange for all that, that they also be given the exclusive right to build in Panama a new, sea-level canal and a new canal zone on the basis of what is called an open option with no commitment whatever.

23. The situation between Panama and the United States is still potentially explosive and liable to endanger international peace. Nine years of negotiation have not brought us forward from the point of departure. True, a more flowery and deceitful language has been developed in order to maintain the *status quo*. So far what has been intended is to

sell us a revised, corrected and expanded version of the 1903 Convention, and this the people of Panama will never accept.

24. In my capacity as PRESIDENT I wish to state that the next name on the list of speakers is that of the Under-Secretary for External Relations of Chile, Mr. Luis Orlandini, and I invite him to take a place at the Council table in order to make his statement.

25. Mr. ORLANDINI (Chile) (*interpretation from Spanish*): Mr. President, I must apologize to you for venturing to distract the Council's attention. I deliberately postponed my statement with the idea of not disturbing the course of the debate that quite justifiably is being held on the main problem that has been before the Council. I make that statement by way of explanation of what otherwise might seem to be an ill-timed statement.

26. At this stage of these meetings, it seems inexcusable to me that I should be obliged to make the following statement, which is linked to the intervention of one of our sister-countries of this area before the Council.

27. With regard to the statement made on the 16th of this month by the representative of Bolivia [1698th meeting], the delegation of Chile feels it imperative to give the following clarifications. First of all, my Government has repeatedly stated its willingness to undertake a dialogue between our two countries in order to define and solve the problems of interest to both as neighbours and sister-republics. Second, we believe that the resumption of diplomatic relations would be a positive and constructive step towards achieving such goals and aims for the benefit of both our peoples. Third, we reiterate our adherence to the principles of international law recognized in the Charter of the United Nations regarding the inviolability of treaties freely entered into and which serve as the basis for peaceful international coexistence. Fourth, we emphatically stress that the existing historical and juridical systems regulating relations between Bolivia and Chile in no way imply a challenge to any sovereign rights of Bolivia, as can be seen clearly from those international instruments that serve to regulate them in accordance with international law. Fifth, we believe that within the framework of the process of Andean integration, in which both of our countries participate, and, furthermore, as a result of the current progressive bilateral conversations between Bolivia and Chile which are dealing with problems of mutual interests, we will gradually create the necessary conditions so that, in strict observance of the norms of international law, both Bolivia and Chile will be able to expand their common ground and strengthen their ties of friendship and co-operation.

28. The PRESIDENT (*interpretation from Spanish*): The Council has before it document S/10931/Rev.1, which contains the draft resolution sponsored by Guinea, Kenya, Panama, Peru, the Sudan and Yugoslavia.

[The President read out the draft resolution].

29. The Republic of Panama, with the co-sponsorship and support of Guinea, Kenya, Peru, the Sudan and Yugoslavia

is putting before the Security Council a basic problem which affects international peace and security. Panama is suffering the noxious consequences of a colonial situation. My country has not completed its process of independence with respect to a particular belt of its territory known as the Panama Canal Zone. That process of independence will be completed only when the presence of an alien Government—that is, the United States—in that Zone is ended, and when that belt of territory is incorporated politically, economically and culturally in the rest of the Republic, as is called for by the United Nations in paragraph 6 of General Assembly resolution 1514 (XV), the Magna Carta of decolonization. I think it appropriate to recall for the record that the paragraph reads as follows:

“Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations.”

30. There can be no doubt that wherever the Charter of the United Nations is violated, there is a danger to the world peace and security which it is the basic objective of that Charter to achieve. The members of the Council and the observers are fully aware of the situation prevailing in the territory under Panamanian sovereignty which is called the Panama Canal Zone. There are foreign authorities and laws there, and a foreign flag is flying there, and all that is based upon a treaty whose signature did not have the consent of Panama, as was explained very clearly and in detail by the Minister for External Affairs of Costa Rica, Mr. Gonzalez Facio [1698th meeting].

31. The Council has been shown very clearly that in practice there is a dismemberment of Panamanian soil, there is a break in its territorial unity because of the presence of United States authorities, who are applying juridical acts based on laws that are not Panamanian and are using a language that is not Panamanian.

32. There can be no doubt whatever that the existence of a foreign Government on a part of our soil, a Government that has usurped governmental functions and arbitrarily excluded our legislation from the Panama Canal Zone, breaks the national unity and, in practice, dismembers our territory.

33. I must stress to this world body that the Government of the United States has recognized that the existence of the Canal Zone and the way in which it is administered stands in the way of our territorial integrity. In fact, point 4 of the joint declaration of Presidents Robles and Johnson of 24 September 1965 reads as follows:

“A primary objective of the new treaty will be to provide for an appropriate political, economic, and social integration of the area used in the canal operation with the rest of the Republic of Panama.”²

34. This colonial situation is obviously incompatible with the Charter of the United Nations, and that has been

² See *The Department of State Bulletin*, vol. LIII, No. 1371 (Washington, D.C., U.S. Government Printing Office, 1965), p. 625.

proclaimed and repeated by the General Assembly. That being the case, Panama is justified in invoking Article 103 of the Charter so that the United States will fulfil its duties as a Member of the United Nations. That is to say: (a) it must respect Panama's right to complete its process of independence (Article 1, paragraph 2, of the Charter); (b) it must refrain from the use of force against the territorial integrity or political independence of any State, in this specific case, Panama (Article 2, paragraph 4, of the Charter); and (c) it should refrain and abstain from taking any step that might jeopardize the territorial integrity and the unity of Panama (General Assembly resolution 1514 (XV)).

35. We are convinced that the draft resolution we have submitted will tend to achieve the objectives we have put before the Council.

Mr. Boyd (Panama) took the Chair.

36. I have the honour to announce that the draft resolution in document S/10932/Rev.1, submitted by Panama, Peru and Yugoslavia, now has three additional co-sponsors: Guinea, Kenya and the Sudan.

37. I call on the representative of the United States, who wishes to exercise his right of reply.

38. Mr. SCALI (United States of America): I have listened with attentiveness and respect to the views the distinguished Foreign Minister of Panama has expressed. It does not surprise me that there are points that have been raised on which our two governments disagree. If we have differences—and we do—the most meaningful place where we can discuss them is in direct negotiations, face-to-face, as we both have a responsibility to do for the sake of our own good relations and for the sake of international understanding. So I invite the Foreign Minister, in a spirit of respect for his views, to continue negotiations, to meet us at the table.

39. I do wish to reply, however, to comments about American economic assistance. I am proud of our record, I think it is unparalleled in the history of the world. Since the Second World War, our nation has poured out more than \$100,000 million in economic assistance to nations which needed that kind of aid. It is a record that few can match. We have done this not because we expect plaudits but because of our long tradition of assisting those in the position where they need urgent assistance. Regardless of what happens, I can assure the representatives at this table, my Government will continue to provide that kind of assistance unselfishly and for the benefit of all of mankind.

40. The PRESIDENT (*interpretation from Spanish*): Since there are no more speakers on the list, and since tomorrow is the last day of meetings, I intend, if I hear no objection, to suspend the meeting until 8.30 p.m. so that members may have consultations on the draft declaration of consensus with which we wish to conclude the general debate, which ends today.

The meeting was suspended at 5.10 and resumed at 9.15 p.m.

41. The PRESIDENT (*interpretation from Spanish*): I should like to draw the attention of members to two draft resolutions which have been submitted for consideration. The first is contained in document S/10931/Rev.1 and has been sponsored by Guinea, Kenya, Panama, Peru, the Sudan and Yugoslavia. The second draft resolution is contained in document S/10932/Rev.1 and is sponsored by the delegations of Guinea, Kenya, Panama, Peru, the Sudan and Yugoslavia.

42. Mr. MOJSOV (Yugoslavia): During the past two days, and especially this afternoon, the members of the Council have had extensive consultations with you, Mr. President, and among themselves concerning the two draft resolutions which you have just mentioned. We had earnestly hoped that by this evening we would have arrived at some concrete results about which we would have been able to inform the Council. The consultations are still going on, however, and I should like formally to propose, under rule 33 of the provisional rules of procedure of the Council, that the Council adjourn until tomorrow morning to allow us additional time for consultations.

43. The PRESIDENT (*interpretation from Spanish*): The Council is now seized of a motion by the representative of Yugoslavia calling for the adjournment of this meeting, in accordance with rule 33 of the provisional rules of procedure, to allow the consultations on the two draft resolutions before the Council to continue.

44. Mr. SEN (India): My suggestion—which is in line with what the representative of Yugoslavia has said—is that we not only adjourn this meeting but adjourn it until 11 a.m. tomorrow. It is already well past 9 o'clock, and we do not have much time left for a discussion tonight. If we are to have fruitful discussion, I think we should allow for a few hours tomorrow morning. So I would suggest that we not only adjourn but adjourn until 11 a.m. tomorrow—which is in accordance with rule 33, paragraph 3.

45. The PRESIDENT (*interpretation from Spanish*): The proposal of the representative of Yugoslavia, with the addition made by the representative of India, is now before the Council.

46. Mr. MALIK (Union of Soviet Socialist Republics) (*translation from Russian*): With all due respect to the views which have been expressed, I should personally prefer to complete this work today so that tomorrow we might perhaps have more time for other questions. But if the majority of the members of the Council are in favour of adjourning the meeting, then that is the Council's will.

47. The PRESIDENT (*interpretation from Spanish*): As no other member of the Council wishes to speak, and as I hear no objection, I take it that the proposal of the representative of Yugoslavia, with the addition made by the representative of India, has been adopted by the Council.

The meeting rose at 9.20 p.m.

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